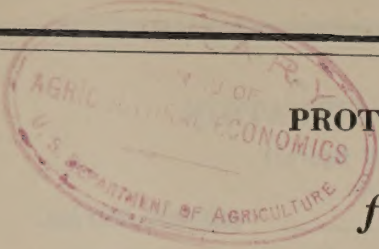


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PROTECTION

for

OCT 14 1938

WHEAT INCOMES

THE AAA WHEAT PLAN

To Balance Supplies
With Domestic Use
and Exports

1. Acreage Adjustment

To avoid burdensome surpluses and conserve the soil.

2. Crop Insurance

To protect individual farmers and build up Ever Normal Granary reserves.

3. Wheat Storage Loans

To keep cooperating farmers from being forced to dump their wheat.

4. Surplus Buying for Relief

To help maintain domestic consumption of wheat.

5. Wheat Marketing Quotas

To hold excessive supplies off glutted markets.

THE SUPPLY SITUATION

(August 1938 figures)

1938 Winter Wheat Crop.....	688,000,000 bu.
1938 Spring Wheat Crop.....	267,000,000 bu.
Carryover from 1937.....	180,000,000 bu.
Total Supply.....	1,135,000,000 bu.

The only other years since the World War when supplies exceeded 1,100,000,000 bushels were 1930, 1931, and 1932, when wheat prices were the lowest in our history.

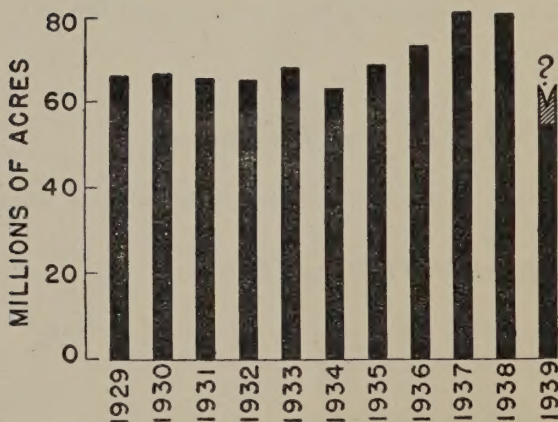
Wheat Acreage

1938 Wheat Acreage—81,000,000 seeded acres.

This is 15,000,000 acres greater than the average acreage from 1930 to 1932.

With average yields another seeded acreage as large as 1937 and 1938 would create the largest wheat surplus in American history.

Seeded Acreage



How Much Wheat Do We Want
in 1939?

BALANCE

through

THE AAA WHEAT PLAN

The 1938 Wheat Supply—

400,000,000 Bushels Above

Average Domestic Use and Exports

The AAA Wheat Plan

1. Provides for adjusting the 1939 wheat acreage downward so that with normal yields the supply next year would be 100,000,000 bushels less than this year's excessive supply.

2. Aims, when fully in operation, to set aside 100,000,000 bushels in the Ever Normal Granary for Crop Insurance.

3. Enables farmers, through the present wheat loan averaging 60 cents a bushel, to keep title to their wheat until they are ready to sell.

U. S. Farmers *cannot* control world wheat prices but they *can* guard against price collapse in this country.

*Balancing Acreage With
Available Markets Means Better
Incomes for Farmers*

THE DEMAND SITUATION

(1928-37 Average)

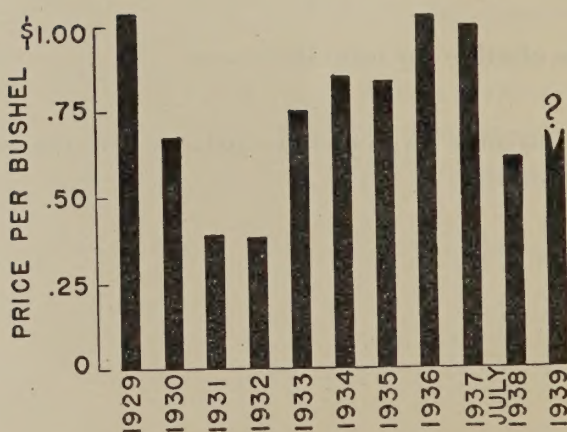
Domestic Use.....	683,000,000 bu.
Exports.....	70,000,000 bu.
Total Needs.....	753,000,000 bu.

The use of wheat for food is relatively stable and has not increased much, even when prices have been extremely low.

The use of wheat for livestock feed can be increased materially only when wheat prices are very low.

Exports of wheat cannot be greatly increased under present world-trade conditions without selling wheat at very low prices. Even then the increases would be very limited.

Farm Prices



**Do Farmers Want to Guard Their Wheat
Prices Against Collapse in 1939?**

BALANCE

through

Conservation and Acreage Adjustment

Each farmer's wheat allotment represents his share of the desirable total national acreage.

If farmers produce such large crops that farm prices are forced down, they are wasting the Nation's soil.

By planting wheat within their acreage allotments, farmers can—

1. Help guard against price collapse.
 2. Obtain AAA payments for conserving soil.
 3. Be eligible for price-adjustment payments on wheat in addition to conservation payments.
 4. Be eligible for wheat loans under the new Farm Act.
 5. Be eligible for crop insurance.
 6. Contribute to economic balance for the entire country.
-

CROP INSURANCE

Farmers can "beat" wheat-crop failure by taking out crop insurance.

Paying a few bushels of wheat in premiums will insure half or three-fourths of the average farmer's wheat crop.

This year crop insurance for wheat is available to nearly all farmers. But next year only wheat growers entitled to at least a partial payment on their wheat allotments will be eligible to renew their crop insurance.

WHEAT-STORAGE LOANS

The 1938 Farm Act provides for wheat loans to cooperating farmers. The loan rate this year averages 60 cents per bushel.

In future years only farmers who plant within their wheat-acreage allotments will be eligible for wheat loans at the full rate.

If supplies are excessive, no loans can be made unless marketing quotas are approved by farmers.

SURPLUS BUYING FOR RELIEF

To keep anyone in the United States from having to go hungry in a time of surplus, wheat is being bought by the Federal Surplus Commodities Corporation for distribution to families on relief.

WHEAT-MARKETING QUOTAS

The 1938 Farm Act provides for meeting emergencies when emergencies come.

If the supply of wheat for the summer of 1939 is estimated at more than 35 percent above the normal domestic consumption and exports, a referendum will be conducted on wheat-marketing quotas.

Marketing quotas go into effect only if favored 2 to 1 by farmers who vote in the referendum.

The Farm Program aims to avoid emergencies, but provides for action that farmers can take in case emergencies come.

